

## **MEETING MINUTES**

Finance Committee

October 15, 2008

### **CALL TO ORDER**

Time – 7:00 P.M.

Members in attendance: Chairman Joanne F. Marden, Tim Felter, Mary O'Donoghue, S. Jon Stumpf, Cindy Milne, Richard T. Howe, Mark Merritt, Paul Fortier and Stephen Stapinski.

### **MEETING MINUTES**

The minutes of September 17, 2008 were moved and seconded for approval as written. The motion passed unanimously. 8-0

Mr. Stapinski joined the meeting at 7:40 p.m.

### **COMMUNICATIONS**

Liaison assignments: Ms. Marden asked committee members to consider adding questions to a list used in past years when meeting with department heads during the budget review process. She cited current conditions in the economy for her request. The main topic of this discussion was what impact one less FTE would have on departments. The possibility of percentage cuts was also briefly discussed.

Ms. Marden reminded committee members of an upcoming Association of Town Finance Committee annual meeting to be held on Saturday, November 1, 2008. They were told to contact Carolyn Lynch with their reservations.

Ms. Marden reminded committee members of a School Committee meeting School Committee Chairman Debra Silberstein invited Finance Committee members to on October 21, 2008. It was noted this meeting would include observations of the current state budget and its implication on cities and towns.

### **BUDGET PLANNING MODEL**

Ms. Marden told committee members that new CIP numbers were not yet available. However, committee members were asked to review the FY2009 budget planning model that included minor changes to the format made by Finance Director Tony Torrisi. After discussing several revenue items including state aid and property taxes, committee members agreed to accept the new format. Concern was expressed that some residents might expect their property taxes to decrease along with decreasing home values. Committee members entered into a lengthy discussion on methods to educate the public on this and other financial “frequently asked questions”.

Committee members reviewed a document titled Revenue and Use of Free Cash. Concern was voiced over revenues being flat this year due to the present economy. Lengthy discussion followed including the use of Free Cash in operating budgets as well as anticipated questions residents may have regarding this issue.

## **FINANCE COMMITTEE WEBSITE PROPOSAL**

Mr. Merritt's proposal for a public Finance Committee website was discussed. Mr. Merritt's goal for this proposal was to provide a more accessible archive of Finance Committee documents and to enable increased transparency of Committee activities to the residents of Andover. After a lengthy discussion including concerns on accuracy of information and possible conflict with open meeting laws, Mr. Merritt agreed to return to a later meeting with a new proposal containing more specifics. He also said he would contact Assistant Town Manager Steve Bucuzzo on the matter. Mr. Bucuzzo currently manages Andover's website.

## **FINANCIAL GOALS AND OBJECTIVES**

Ms. Marden asked committee members if they had any suggestions for revising current CIP funding policies. Percentage funding, proposing an arbitrary number or needs based calculations were all policy options discussed. Ms. Marden added that currently, all three methods are utilized. Following lengthy discussion Committee members agreed not to change the current 2% policy.

Committee members discussed whether or not a debt service policy is needed regarding how much capacity the Town should maintain within the budget for debt within Proposition 2½. All agreed they would prefer that Finance Director Tony Torrisi obtain information from the Government Finance Officers Association and/or bonding companies on best practice standards for debt service targets prior to further discussion. Other questions Ms. Marden posed to the Committee for thought were as follows: how much of the budget can the town afford for debt service and should debt service increase with the budget or remain at \$3M in spite of an increasing budget. This discussion was tabled for a future meeting.

## **NEXT MEETING**

Finance Committee  
Wednesday, November 12, 2008  
2<sup>nd</sup> Floor Conference Room  
7:00 P.M.

Joint Board Meeting  
Monday, December 1, 2008  
3<sup>rd</sup> Floor Selectmen's Conference Room

Finance Committee  
Wednesday, December 10, 2008  
2<sup>nd</sup> Floor Conference Room  
7:00 P.M.

## **ADJOURNMENT – 9:00 P.M.**

Respectfully Submitted,  
*Carolyn Lynch*  
Recording Secretary